

NEW FINANCIAL MODEL STEERING COMMITTEE - DEC. 6, 2011

The Steering Committee defined five task forces to accomplish the development of the new financial model, with a dean and/or senior vice president in the lead. The five categories and leadership, which were announced at the steering committee meeting, are as follows:

- Financial Reporting, System Preparedness and Training – James Hilton, VP and Chief Information Officer
- Communication and Change Management – Bob Pianta, Dean, Curry School of Education
- Revenue and Incentives – Bob Bruner, Dean, Darden School of Business
- Cost and Service Level Architecture – Paul Mahoney, Dean, School of Law
- Governance, Policy Review and Oversight – Kim Tanzer, Dean, School of Architecture

Additional members of the task forces will be identified. All steering committee members were asked to participate. The task forces will also include faculty and staff.

A timeline to guide the development, implantation and monitoring phases of the task force work was distributed. The groups will begin working in January 2012. An extended meeting is also planned within January to establish the design principles of the budget model.

Each of the schools has completed a presentation to the Steering Committee summarizing their current goals and challenges, and their hopes and concerns for the new budget model. Presentations will now be made by select units and service centers. Information and Technology Services (ITS) – VP/CIO James Hilton, Development and Public Affairs (DPA) – SVP Bob Sweeney, and the Office of Research – SVP Tom Skalak, were planned for the Dec. 6 meeting.

Information and Technology Services (ITS) currently operates in a mixed model of centrally allocated and activity-based budgeting. Hilton believes there are many benefits to be gained from activity-based budgeting and has been educating his staff so that they are prepared to maximize the opportunity and provide valuable service to the University.

Service studies and information on ITS/SIS costs, revenue and trends were shared with the Steering Committee.

In summary, Hilton advised that the budget model and allocation methods create appropriate and well thought-out incentives; that the model encourage flexibility and entrepreneurial activity at the edges while preserving coherence and accountability of the whole; and that the model should ensure funds available for reallocation in both good and bad times.

Development and Public Affairs (DPA) is closing in on the \$3 billion goal for the University fundraising campaign that was established in 2004. The original deadline of Dec. 31, 2011 will be extended until the final \$400 million is obtained. The shortage was not unusual or unexpected in the wake of the 2008 financial crisis.

Sweeney explained that major donors are interested in collaborative and interdisciplinary programs and gifts. Discussion followed that recalled a Deans' Forum. A recommendation was made to resurrect the forum in order to have collaborative discussions with schools.

Sweeney predicted the need for a greater team to step up for the 2019 bicentennial, the next large campaign occasion. It was noted that UVA has no marketing budget; the steering committee advised proactive work.

In summary, Sweeney advised strengthening the central operation in order to leverage the existing experience and expertise and provide greater service.

The Dec. 6 Steering Committee adjourned after two presentations. The Office of Research is to be rescheduled.

Suggestions regarding communications are welcome: srstrine@virginia.edu